

## Self-Canceling Installment Note

Case Name	<input type="text"/>	Default Case	
Client's First Name	<input type="text" value="John"/>	Pay at Begin or End of Period?	<input type="text" value="End of Period"/>
Client's Last Name	<input type="text" value="Doe"/>	Years Deferred	<input type="text" value="0"/>
Date of Transfer	<input type="text" value="12/27/2002"/>	Valuation Method	<input type="text" value="Common"/>
Section 7520 Rate	<input type="text" value="8.0%"/>	Growth Rate of Principal	<input type="text" value="10.0%"/>
Beginning Principal	<input type="text" value="1,000,000"/>	Duration Calculation Method	<input type="text" value="Auto"/>
Beginning Basis	<input type="text" value="250,000"/>	Fixed Duration	<input type="text" value="10"/>
Type of Note	<input type="text" value="Level Prin + Int"/>	Life Expectancy of Seller	17 Years
Term of Note	<input type="text" value="5"/>		
Nearest Age of Seller	<input type="text" value="65"/>		
Interest Rate of Note	<input type="text" value="6.0%"/>		
Extended Term	<input type="text" value="0"/>		

Self-Canceling Installment Note

## Annual Cash Flow (Principal Risk Premium)

John Doe - Default Case

### General

Type of Note	Level Prin + Int
Date of Transfer	12/27/2002
Beginning Principal	1,000,000
Beginning Basis	250,000
Term of Note	5
Interest Rate of Note	6.0%
Extended Term	0
Pay at Begin or End of Period?	End of Period
Years Deferred	0

### Principal Risk Premium

Principal Risk Premium	101,243
Adjusted Principal with Risk Premium	1,101,243

### Ending Values

Years of Duration	5
Cumulative Payments on Note	1,299,467
Ending Principal	8,517

Year	Beginning Principal	Annual Growth	Annual Payment	Ending Principal
1	1,000,000	100,000	286,323	813,677
2	813,677	81,368	273,108	621,936
3	621,936	62,194	259,893	424,237
4	424,237	42,424	246,678	219,982
5	219,982	21,998	233,463	8,517

Self-Canceling Installment Note

## Payment Breakdown (Principal Risk Premium)

John Doe - Default Case

### General

Type of Note	Level Prin + Int
Date of Transfer	12/27/2002
Beginning Principal	1,000,000
Beginning Basis	250,000
Term of Note	5
Interest Rate of Note	6.0%
Extended Term	0
Pay at Begin or End of Period?	End of Period
Years Deferred	0

### Principal Risk Premium

Principal Risk Premium	101,243
Adjusted Principal with Risk Premium	1,101,243

### Ending Values

Years of Duration	5
Cumulative Payments on Note	1,299,467
Cumulative Interest Portion	198,224
Cumulative Capital Gain Portion	851,243
Cumulative Tax Free Portion	250,000

Year	Annual Payment	Interest Portion	Capital Gain Portion	Tax Free Portion	Note Balance
1	286,323	66,075	170,249	50,000	880,994
2	273,108	52,860	170,249	50,000	660,746
3	259,893	39,645	170,249	50,000	440,497
4	246,678	26,430	170,249	50,000	220,249
5	233,463	13,215	170,249	50,000	0

Self-Canceling Installment Note

## Annual Cash Flow (Interest Rate Risk Premium)

John Doe - Default Case

### General

Type of Note	Level Prin + Int
Date of Transfer	12/27/2002
Beginning Principal	1,000,000
Beginning Basis	250,000
Term of Note	5
Interest Rate of Note	6.0%
Extended Term	0
Pay at Begin or End of Period?	End of Period
Years Deferred	0

### Interest Rate Risk Premium

Interest Rate Risk Premium	3.78519%
Adjusted Interest Rate with Risk Premium	9.78519%

### Ending Values

Years of Duration	5
Cumulative Payments on Note	1,299,467
Ending Principal	8,517

Year	Beginning Principal	Annual Growth	Annual Payment	Ending Principal
1	1,000,000	100,000	297,852	802,148
2	802,148	80,215	278,282	604,081
3	604,081	60,408	258,711	405,778
4	405,778	40,578	239,141	207,215
5	207,215	20,722	219,570	8,367

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## Payment Breakdown (Interest Rate Risk Premium)

John Doe - Default Case

### General

Type of Note	Level Prin + Int
Date of Transfer	12/27/2002
Beginning Principal	1,000,000
Beginning Basis	250,000
Term of Note	5
Interest Rate of Note	6.0%
Extended Term	0
Pay at Begin or End of Period?	End of Period
Years Deferred	0

### Interest Rate Risk Premium

Interest Rate Risk Premium	3.78519%
Adjusted Interest Rate with Risk Premium	9.78519%

### Ending Values

Years of Duration	5
Cumulative Payments on Note	1,299,467
Cumulative Interest Portion	198,224
Cumulative Capital Gain Portion	851,243
Cumulative Tax Free Portion	250,000

Year	Annual Payment	Interest Portion	Capital Gain Portion	Tax Free Portion	Note Balance
1	297,852	97,852	150,000	50,000	800,000
2	278,282	78,282	150,000	50,000	600,000
3	258,711	58,711	150,000	50,000	400,000
4	239,141	39,141	150,000	50,000	200,000
5	219,570	19,570	150,000	50,000	0